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***	Current Classification ***	CONFIDENTIAL
***	Current Handling Restriction	ons *** n/a

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DATE= 16 JUN 81

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DRAFTER= n/a

OFFICE= ACTION SS

TO= STATE TRK Date: 12/ IS/FPC/CDR DEPARTMENT OF STATE (LI PELEASE (CL DECLASCIFY MR Cases Only: CHANNEL= n/a () DLC A said EO Citations. () EXC 38 1:1 PART 1024 ORIGHAND= n/a .) Data:TE Non-Responsive Info TS authority to4 () CLASSIFY as () S or FOIA exemptions ____ () DOWNGRADE TS to () S or PA Exemptions_ ORIGPHAND= n/a

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EO= GS 19870616 SEITZ, R G H

SUBJECT= MESSAGE TO SECRETARY REGAN: SECRETARY HAIG'S MEETING WITH BO YIBO

REFERENCE= n/a

CONTROL_NBR= n/a

ENCLOSURE= n/a

LOCATOR= TEXT ON-LINE, ON MICROFILM

ERRORS= N/A

CONCEPTS= SECTO, SALES, ECONOMIC COOPERATION, AGRICULTURAL AGREEMENTS, MEETINGS

TAGS= OVIP, EAGR, ECON, US, CH, (HAIG, ALEXANDER M JR), (BO YIBO)

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PAGE 01 SECTO 04067 160311Z ACTION SS-15

INFO OCT-01 ADS-00 EA-10 SSO-00 TRSE-00 CCO-00 /026 W

O 160120Z JUN 81 ZFF-6 FM USDEL SECRETARY IN BEIJING TO SECSTATE WASHDC IMMEDIATE 5849

CONFIDENTIAL SECTO 04067

STATE PLEASE PASS TO TREASURY

E.O. 12065: GDS 6/15/87 (SEITZ, R.G.H.)
TAGS: OVIP (HAIG, ALEXANDER M.), CH
SUBJECT: MESSAGE TO SECRETARY REGAN:
SECRETARY HAIG'S MEETING WITH BO YIBO

- 1. (CONFIDENTIAL ENTIRE TEXT).
- 2. DURING MY MEETING WITH VICE PREMIER BO YIBO TODAY, I MENTIONED THAT YOU WERE LOOKING FORWARD TO HEADING THE U.S. SIDE IN THE NEXT JOINT ECONOMIC COMMISSION MEETING TO BE HELD IN CHINA. BO WELCOMED THIS PROSPECT, AGREED TO HOLD THE JEC IN CHINA SOMETIME THIS AUTUMN, AND SUGGESTED THAT SPECIFIC ARRANGEMENTS BE WORKED OUT THROUGH DIPLOMATIC CHANNELS.
- 3. I ALSO FLAGGED THE CONCERNS OF AMERICAN BUSINESSMEN ABOUT POSSIBLE DUAL TAXATION PROBLEMS POSED BY PRC TAX LAWS, AND RELAYED YOUR OFFER TO SEND TAX EXPERTS TO CHINA TO DISCUSS THE PROBLEM. BO ACKNOWLEDGED THAT A PROBLEM EXISTS, AND THAT CHINESE AUTHORITIES ARE NOT SUFFICIENTLY FAMILIAR WITH OUR TAX LAWS. HE WELCOMED THE PROSPECT OF DISCUSSIONS WITH U.S. SPECIALISTS, AND INDICATED ARRANGEMENTS FOR SUCH EXCHANGES COULD BE WORKED OUT THROUGH DIPLOMATIC CHANNELS.

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PAGE 02 SECTO 04067 160311Z

4. MAC BALDRIDGE'S PROPOSAL TO CREATE A NEW JOINT COMMISSION ON COMMERCE AND TRADE WAS ALSO PUT FORWARD. BO REACTED AFFIRMATIVELY AND AGREED TO ENTERTAIN A

SPECIFIC PROPOSAL WITHIN THE NEXT MONTH. WHEN I RETURN FROM MY TRIP, WE SHOULD SIT DOWN TOGETHER AND CONSIDER HOW THE NEW COMMISSION CAN COMPLEMENT THE JEC, AND HOW BOTH CAN BE USED TO EXPAND U.S. COMMERCIAL OPPORTUNITIES IN CHINA BY ENCOURAGING CHINA'S MODERNIZATION. WARM REGARDS, AL. HAIG

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL